



# **NEWS RELEASE**

CALIFORNIA STATE TREASURER PHILIP ANGELIDES

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## **STATE TREASURER PHILIP ANGELIDES ACCEPTS ELECTRONIC BIDS FOR \$500 MILLION IN GENERAL OBLIGATION BONDS TO SUPPORT CALIFORNIA'S SCHOOLS**

**SACRAMENTO, CA** – State Treasurer Philip Angelides today for the first time accepted electronic bids for state general obligation bonds. The \$500 million bond issue, authorized by Proposition 1A in 1998, will support new construction and modernization of California K-12 schools.

This is the State's first general obligation bond sale since the January 1, 2000, effective date of legislation, which the Treasurer sponsored to allow electronic bidding. Electronic bidding improves the accuracy and efficiency in the bid process. Underwriters were allowed to submit electronic bids through services provided by Bloomberg, MuniAuction, or Parity.

"We are extremely pleased with the speed, accuracy and results of today's entry into electronic bidding," stated Treasurer Angelides. "The process was very cost-effective to the State."

Bids were submitted by BancAmerica Securities, LLC, Goldman Sachs & Co., J.P. Morgan Securities, Inc., and Merrill Lynch & Co. Goldman Sachs & Co. won the bid with the lowest true interest cost of 5.6277 percent. The three major rating agencies, Fitch IBCA, Inc., Moody's Investor Service, and Standard & Poor's rated the bonds AA, Aa3, and AA-, respectively. The 2022 and 2027 maturities were insured by MBIA, providing triple-A ratings on these portions of the issue.

Orrick, Herrington & Sutcliffe LLP and the Law Office of Pamela S. Jue served as co-bond counsel. Kronick, Moskovitz, Tiedemann & Girard served as disclosure counsel. Public Resources Advisory Group provided financial advisory services.